

**ASSEMBLY BILL**

**No. 1579**

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**Introduced by Assembly Member Campos**

February 2, 2012

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An act to add Section 1374.196 to the Health and Safety Code, and to add Section 10120.4 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1579, as introduced, Campos. Dental coverage: noncontracting providers: assignment of benefits.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law authorizes licensed nonphysician providers that contract with a medical group, physician, or independent practice association to provide services to health care service plan enrollees to directly bill the plan for services rendered under certain circumstances. Existing law requires group health care service plans to authorize and permit assignment of a Medi-Cal beneficiary's right to reimbursement for covered services to the State Department of Health Care Services, except as specified. Existing law provides for the direct payment of group insurance medical benefits by a health insurer to the person or persons furnishing or paying for hospitalization or medical or surgical aid, as specified.

This bill would require a health care service plan or health insurer that pays a contracting dental provider directly for covered services rendered to an enrollee or insured to also pay a noncontracting dental

provider directly for covered services rendered to an enrollee or insured where the provider submits a written assignment of benefits signed by the enrollee or insured or the legal representative thereof, as specified. The bill would authorize that noncontracting dental provider to bill the subscriber or enrollee or policyholder or insured for any remaining amount due for those services.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1374.196 is added to the Health and  
2     Safety Code, to read:  
3     1374.196. (a) For purposes of this section, “assignment of  
4     benefits” means the transfer of reimbursement or other rights  
5     provided for under a health care service plan contract to a treating  
6     provider for services or items rendered to an enrollee.  
7     (b) If a health care service plan pays a contracting dental  
8     provider directly for covered services rendered to an enrollee, the  
9     plan shall pay a noncontracting dental provider directly for covered  
10    services rendered to an enrollee where the noncontracting provider  
11    submits to the plan a written assignment of benefits signed by the  
12    enrollee or, if the enrollee is a minor or is incompetent or  
13    incapacitated, the legal representative thereof. When payment is  
14    made directly to a noncontracting dental provider pursuant to this  
15    section, the plan shall give written notice of the payment to the  
16    enrollee who received the services or, if the enrollee is a minor or  
17    is incompetent or incapacitated, the legal representative thereof.  
18    (c) A noncontracting dental provider accepting an assignment  
19    of benefits pursuant to this section may bill the individual  
20    subscriber or enrollee for any amount due for services rendered  
21    beyond the amount covered by the plan’s fee schedule or specific  
22    payment rate.

1 (d) This section shall only apply to a health care service plan  
2 contract covering dental services or a specialized health care service  
3 plan contract covering dental services pursuant to this chapter.

4 SEC. 2. Section 10120.4 is added to the Insurance Code, to  
5 read:

6 10120.4. (a) For purposes of this section, “assignment of  
7 benefits” means the transfer of reimbursement or other rights  
8 provided for under a health insurance policy to a treating provider  
9 for services or items rendered to an insured.

10 (b) If a health insurer pays a contracting dental provider directly  
11 for covered services rendered to an insured, the insurer shall pay  
12 a noncontracting dental provider directly for covered services  
13 rendered to an insured where the noncontracting provider submits  
14 to the insurer a written assignment of benefits signed by the insured  
15 or, if the insured is a minor or is incompetent or incapacitated, the  
16 legal representative thereof. When payment is made directly to a  
17 noncontracting dental provider pursuant to this section, the insurer  
18 shall give written notice of the payment to the insured who received  
19 the services or, if the insured is a minor or is incompetent or  
20 incapacitated, the legal representative thereof.

21 (c) A noncontracting dental provider accepting an assignment  
22 of benefits pursuant to this section may bill the individual  
23 policyholder or insured for any amount due for services rendered  
24 beyond the amount covered by the insurer’s fee schedule or specific  
25 payment rate.

26 (d) This section shall only apply to a health insurance policy  
27 covering dental services or a specialized health insurance policy  
28 covering dental services pursuant to this part.

29 SEC. 3. No reimbursement is required by this act pursuant to  
30 Section 6 of Article XIII B of the California Constitution because  
31 the only costs that may be incurred by a local agency or school  
32 district will be incurred because this act creates a new crime or  
33 infraction, eliminates a crime or infraction, or changes the penalty  
34 for a crime or infraction, within the meaning of Section 17556 of  
35 the Government Code, or changes the definition of a crime within  
36 the meaning of Section 6 of Article XIII B of the California  
37 Constitution.